

## Message Text

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43

ORIGIN TRSE-00

INFO OCT-01 EUR-12 EA-10 ISO-00 XMB-04 EB-07 COME-00 L-02

OPIC-06 AID-05 /047 R

TX-387

DRAFTED BY TREAS:RPELIKAN:CU

APPROVED BY EB/IFD/ODF:RSGELBARD

XMB:SMINIKES

EB/IFD/ODF:RASWART

EUR/RPE:RHARDING

----- 055140

R 212341Z MAR 75

FM SECSTATE WASHDC

TO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

UNCLAS STATE 064908

E.O. 11652:N/A

TAGS:EFIN

SUBJECT:EC COUNCIL DRAFT OF A GENTLEMEN'S AGREEMENT ON

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OFFICIAL SUPPORT FOR EXPORT CREDITS

1. REQUEST EMBASSY COMMUNICATE TO THE APPROPRIATE OFFICIAL

IN THE HOST GOVERNMENT THE FOLLOWING: THE U.S. SUGGESTS THE

FOLLOWING CHANGES TO THE DRAFT GENTLEMEN'S AGREEMENT ON OFFICIAL SUPPORT FOR EXPORT CREDITS. CHANGES ARE PURELY FOR: CONSISTENCY BETWEEN THE WORDING OF VARIOUS PARAGRAPHS OF THE AGREEMENT; CLARITY IN THE MEANING OF CERTAIN PARAGRAPHS; OR ELIMINATION OF SUPERFLUOUS WORDS. THEY ARE NOT INTENDED IN ANY WAY TO CHANGE THE SUBSTANCE OF ANY PROVISION.

(A) SECTION I.2.:

...FIRST LINE: DELETE "THE CREDITS" AND SUBSTITUTE "EACH  
.....EXPORT CREDIT."

...FIFTH LINE: CHANGE "RATES" TO "RATE."

(B) SECTION I.3.:

...NINTH LINE: INSERT "PUBLIC INSTITUTES" AFTER "PUBLIC  
BODIES."

...LAST LINE: CHANGE "RATE" TO "RATES."

(C) SECTION II.1:

...THIRD LINE: DELETE "IN RESPECT OF THE" AND SUBSTITUTE "AFFECTING"

(D) SECTION II.2.: DELETE AND SUBSTITUTE THE FOLLOWING:  
"FOR THE PURPOSE OF CALCULATING SUCH ANNUAL AVERAGE REAL  
COST, EACH FINANCING WILL BE WEIGHTED BY ITS OUTSTANDING  
CONTRACT VALUE AND SHALL INCLUDE: THE RATES OF INTEREST  
AS DEFINED IN I.3(B), INCLUDING FINANCINGS OF PUBLICLY  
SUPPORTED CREDITS AT INTEREST RATES HIGHER THAN THE AGREED  
MINIMUM; AND ALL BANK COMMISSIONS AND CREDIT INSURANCE  
CHARGES."

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(E) SECTION IV FIRST SENTENCE: DELETE AND SUBSTITUTE THE  
FOLLOWING: "IN THE CASE OF AN EXPORT CREDIT BENEFITING  
FROM OFFICIAL SUPPORT, EITHER AS DEFINED UNDER I.3. OR  
OTHER CREDIT GUARANTEES AND INSURANCE ON BEHALF OF OR  
WITH THE SUPPORT OF THE STATE OR ANY OTHER PUBLIC BODY, THE  
DOWN-PAYMENT SHALL AMOUNT TO AT LEAST 15 PERCENT AND SHALL  
BE RECEIVED, AT THE LATEST, BY THE STARTING POINT DATE OF  
THE CREDIT AS DETERMINED BY THE BERNE UNION."

(F) SECTION VI.1: U.S. VERSION: DELETE AND SUBSTITUTE

THE FOLLOWING: "THE MAXIMUM LENGTHS OF CREDITS STIPULATED IN III MAY BE EXCEEDED IF OFFICIAL SUPPORT AS SET FORTH IN III DOES NOT RESULT IN A RATE BELOW THE MARKET RATE, ON THE UNDERSTANDING THAT A MINIMUM OF 10 PERCENT WOULD BE CONSIDERED TO CONFORM WITH THIS PROVISION AT THIS TIME."

(G) SECTION VI.2.A. FIRST SENTENCE: DELETE AND SUBSTITUTE THE FOLLOWING: "THE PROVISIONS OF AN OECD SECTORAL AGREEMENT SHALL APPLY TO OFFICIAL SUPPORT FOR EXPORT CREDITS OF ANY PARTY SIGNATORY TO SUCH AN AGREEMENT."

(H) SECTION VI.5.: DELETE AND SUBSTITUTE THE FOLLOWING: "BY WAY OF DEROGATION FROM THE PROVISIONS UNDER I-V EACH PARTY MAY, AFTER SIMULTANEOUS NOTIFICATION TO THE OTHER PARTIES, GRANT SOFTER TERMS TO MEET DIRECT COMPETITION BENEFITING FROM:

-- PUBLIC MEASURES NOT IN ACCORDANCE WITH THIS AGREEMENT;  
-- EXISTING COMMITMENTS, OFFERS, INTERNAL CONVENTIONS, AND BILATERAL AGREEMENTS OF ANOTHER PARTY WHICH ARE NOT IN

ACCORDANCE WITH SECTIONS I-VI OF THIS AGREEMENT."

(I) SECTION VII.1.B.:

...SECOND SENTENCE: INSERT "OFFERS" AFTER "COMMITMENTS."

...THIRD SENTENCE: DELETE AND SUBSTITUTE THE FOLLOWING:

..... "IF AFTER ENTRY INTO FORCE OF THIS  
..... AGREEMENT, SUCH COMMITMENTS, OFFERS,  
..... INTERNAL CONVENTIONS, AND BILATERAL  
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..... AGREEMENTS ARE, IN WHOLE OR IN PART,  
..... OPEN TO RENEGOTIATION, RENEWAL OR  
..... AMENDMENT, THE PROVISIONS OF THIS  
..... AGREEMENT SHALL APPLY."

(J) SECTION VII.2.A.: DELETE AND SUBSTITUTE THE FOLLOWING:  
"WITHIN THE 15 DAYS REFERRED TO IN 1.A. EACH PARTY SHALL NOTIFY THE OTHER PARTIES OF THOSE CREDIT CONDITIONS WHICH DO NOT CONFORM WITH SECTIONS I-VI OF THIS AGREEMENT IN:

-- INTERNAL CONVENTIONS AND BILATERAL AGREEMENTS REFERRED TO IN 1.B.;  
-- COMMITMENTS AND OFFERS REFERRED TO IN 1.B WHICH CONCERN LENGTHS OF CREDIT OF MORE THAN 5 YEARS."

(K) SECTION VII.3.: DELETE "ANY PARTY TO THE AGREEMENT" AND SUBSTITUTE "EACH PARTY."

2. EMBASSY REQUESTED CONFIRM U.S. DELEGATION'S UNDERSTANDING, AS REFLECTED IN POINTS TO BE INCLUDED IN AGREED MINUTES OF LAST MEETING, THAT HOST COUNTRY GOVERNMENT INTENDS TO EXCHANGE NOTE WITH U.S. AND OTHER PARTIES CONCERNING ITS INSTITUTIONS TO WHICH AGREEMENT APPLIES PRIOR TO PRINCIPAL'S MEETING. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, CREDIT, AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
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**Disposition Comment:**  
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**Review Authority:** woolflhd  
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**Review Date:** 23 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** C COUNCIL DRAFT OF A GENTLEMEN'S AGREEMENT ON UNCLASSIFIED  
**TAGS:** EFIN  
**To:** BONN MULTIPLE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006